
Department of Local Affairs



Strengthening Colorado Communities

Agenda
State Housing Board Work Session and Meeting
Breckenridge, Colorado
October 13, 2009

9:00 a.m.	Work session call to order Introduction/Overview of Session	Theo Gregory Pat Coyle
9:10 a.m.	Energy Standards Policy discussion	Denise Selders/Rick Hanger
9:25 a.m.	Use of Application Scoring Matrix	Meghen Duggins/Rick Hanger
9:45 a.m.	DOH Competitive Application Cycle policy	Bill Whaley/Rick Hanger
10:15 a.m.	Project Pro/Con Information discussion	Rick Hanger
10:30 a.m.	Foreclosure Contract approval	Pat Coyle
10:45-10:55	Break	
11:00 am	Convene SHB Meeting - Approval of Minutes	Theo Gregory

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
11:05	10-025	Community Housing Concepts, Inc./Denver Gardens Acquisition & Rehab	Meghen Duggins
11:25	10-020	Archdiocesan Housing Inc./Prairie Rose Plaza	Meghen Duggins
11:40	10-026	Greeley Center for Independence/Hope Apartments Rehabilitation	Denise Selders

Approval Process

11:45 p.m. 10-025 10-020 10-026

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Mary Miller at (303) 866-2978 by October 8th, 2009.

cc: Susan Kirkpatrick CHATS Patrick Coyle Tony Hernandez
Rick Hanger Lynn Shine Steve Bernia State Housing Board Members

STATE HOUSING BOARD MINUTES

Colorado Division of Housing
Breckenridge, Colorado
Tuesday, October 13, 2009

BOARD MEMBERS PRESENT: Theo Gregory, Mike Rosser, Sally Hatcher and David Zucker

BOARD MEMBERS ABSENT: Karen Weitkunat, Gene Lucero and Suzanne Anarde

DOH STAFF PRESENT: DOLA Executive Director Susan Kirkpatrick, DOH Director Patrick Coyle, Rick Hanger, Ann Watts, Denise Selders, Meghen Duggins, Shannon Picaso, Autumn Gold, Trang Van, Stephanie Troller, Shawn Wright, Melissa Stirdivant, Stephanie Morey and Ryan McMaken.

CALL TO ORDER: Meeting was called to order by Theo Gregory at 1:00 p.m.

APPROVAL OF MINUTES: Minutes from the August meeting were approved.

DOH DIRECTOR'S COMMENTS

Patrick Coyle introduced himself as the new Director for the Division of Housing and is looking forward to working with the department and the programs that fall under the division.

APPLICATIONS REVIEWED IN AUGUST

Name: Alamosa County / San Luis Valley Housing Coalition, Inc. – Adams Lane Apartment Rehabilitation

Project Number: 09-068

Project Description: Alamosa County, on behalf of the San Luis Valley Housing Coalition, Inc. (SLVHC), is requesting a grant of \$241,500 to provide for the rehabilitation of the 7306 Adams Lane Apartments. This apartment property contains fourteen (14) 2 bedroom units that will be rented to households at 30%, 40%, and 60% of the Area Median Income. These funds will be granted to the SLVHC who will then loan

the funds to the property owner at 1% interest for fifteen years. The SLVHC, in addition to the loan administration, will also manage the rehabilitation of this project and provide the property management. This apartment project was purchased out of foreclosure in 2008 by a private individual that cannot fully support a market rate loan for the necessary repairs. The on-going poor condition of this apartment project was brought to the attention of the Alamosa County Commissioners by other neighborhood residents and the Commissioners contact the SLVHC for assistance. Rehabilitation of this project includes energy-efficiency, health and safety, and finishes.

Staff Recommendation: Full Funding

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Full Funding with contingency
Gregory	Full Funding with contingency	Rosser	Full Funding with contingency
Hatcher	Full Funding with contingency	Lucero	Absent
Weitkunat	Absent		

*** Board recommended full funding contingent upon an as built appraisal**

Name: Garden Housing Co, LLC

Project Number: 10-011

Project Description: Garden Housing Co, LLC is requesting a HOME loan of \$ 225,000 for the rehabilitation of the Garden Apartments, an 84-unit scattered-site development in Colorado Springs. The property, built in 1982, is going through a Mark-to-Market restructuring program, which refinances the existing debt and provides a 20 year Housing Assistance Payment (HAP) contract. The project includes 1, 2, 3, and 4 bedroom units that receive a project-based subsidy at to subsidize the rents. Rehabilitation items include: insulation of siding, plumbing, upgrade of windows, HVAC units, replacement of lighting and appliances with Energy Star items. General replacement and repair of items include: siding, surface parking lot, fencing/ dumpster enclosures, landscaping. The rehabilitation will incorporate the HUD's Mark- to-Market Green Initiative energy standard and will extend the life of the property through the 50-year period of affordability.

Staff Recommendation: Full funding contingent on applicant applying for additional funds for energy efficiency and for a property tax exemption with the housing authority

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Lucero	Absent
Weitkunat	Absent		

Name: Correll Apartments Rehab

Project Number: 10-012

Project Description: Thistle Communities requests a grant of \$52,140 for the rehabilitation of the Correll Apartments in the City of Boulder (near Baseline & Broadway). Correll has one building built in 1948 and two other buildings built in 1957. It has 1 studio, 6 one-bedroom and 14 two-bedroom units, all affordable at or below 50-60% AMI. Thistle acquired the property in 2001 with City and FHLB funding, but without assistance from CDOH. They refinanced it in 2002 as part of a portfolio tax-exempt bond refinancing. In the summer of 2009, Thistle replaced all of the windows with funding from GEO and the City. Their rehabilitation plan also calls for roof replacement, attic insulation, kitchen & bath updates, new furnaces, exterior door replacement, interior hallway upgrades, parking lot resurfacing and lighting, and installation of CO alarms. These repairs are necessary to preserve these 21 permanently affordable rental units.

Staff Recommendation: Full Funding

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Lucero	Absent
Weitkunat	Absent		

Name: Eagle County/Riverview Apartments

Project Number: 09-062

Project Description: Eagle County is requesting a \$432,000 grant to be used in the acquisition and rehabilitation of The Riverview Apartments, 72 units of low-and-moderate-income rental housing in Eagle County. Constructed as project-based Section 8 affordable housing in 1978, five three-story structures contain two-and-three-bedroom units, an office, community room, and laundry facilities. Rehabilitation will include replacement of siding and insulation, installation of roof-mounted photovoltaic system, and solar hot water heaters. The project will be funded with Low Income Housing Tax Credits and a 17-year, 7.25%, \$7,700,000 first mortgage. Additionally, a \$1,295,000 seller carry second mortgage, deferred developer fees, and a \$100,000 ECO Build grant will complete the financing. The development is located on three acres in the Eagle/Vail area of the Vail Valley, connected by public transportation to employment, schools, shopping, and services.

Staff Recommendation: Full Funding

Date of Meeting: September 15, 2009

Anarde	Absent	Lucero	Absent
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Absent
Zucker	Full Funding		

Name: CARE Housing, Inc. – Provincetowne Green Communities

Project Number: 10-014

Project Description: CARE Housing, Inc., a 501(c)(3) non-profit organization, requests a grant in the amount of \$500,000 for the new construction of the Provincetowne Green Communities development located in southeastern Fort Collins, Larimer County. Phase I of Provincetowne is a Low-Income Housing Tax Credit development consisting of 85 townhome-style units of multi-family rental housing containing 15 2-bedrooms @ 30% AMI, 3 3-bedrooms @ 30% AMI, 24 2-bedrooms @ 40% AMI, 6 3-bedrooms @ 40% AMI, 31 2-bedrooms @ 50% AMI, and 6 3-bedrooms @ 50% AMI. Provincetowne will be built utilizing Green Communities and LEED standards as a collaborative effort of public and private partners incorporating a “triple bottom line” that balances financial

performance with social and environmental goals.

Staff Recommendation: Full Funding, contingent upon receipt of pending funds

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Staff Recommendations
Gregory	Staff Recommendations	Rosser	Staff Recommendations
Hatcher	Staff Recommendations	Lucero	Absent
Weitkunat	Absent		

***Board wants the project to be fully funded (pending funds established) prior to committing DOH funds.**

Name: Douglas County / Community Housing Development Association (CHDA) – Flats at Lincoln Station TOD Acquisition Pr

Project Number: 10-326

Project Description:

Douglas County has allocated \$2,589,239 in Neighborhood Stabilization Program grant funds to the Community Housing Development Association, Inc. (CHDA) to purchase a vacant, multi-family, transit-oriented development site located at the Lincoln Avenue light rail station in unincorporated Douglas County. The Community Housing Development Association, Inc. will act as the developer and owner for the proposed redevelopment use that includes the creation of approximately 89 multi-family rental housing units in mixed-use building(s) that target households at 30% to 120% of the area median income. Twenty percent of the units in this project will be set-aside for special needs households. Arapahoe/Douglas Mental Health Network (ADMHN) is partnering with CHDA to serve as the primary service provider for the special needs households.

Staff Recommendation: Full Funding

Date of Meeting: 09/15/2009

Anarde	Absent	Zucker	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Lucero	Absent
Weitkunat	Absent		

Name: Adams County – NSP Multi-Family Acquisition Project

Project Number: 09-311

Project Description: Adams County, through the Adams County Housing Authority will allocate \$687,452 in NSP funding to purchase multi-family rental property in Brighton, Westminster or other impacted areas in Adams County. The applicant's goal is to leverage these funds with additional public and private funds to purchase up to 100 affordable rental housing units. The Adams County Housing Authority will be lead developer for this project and will partner with local non-profit housing organizations for the long-term property ownership and management. The purchase and rehabilitation of distressed multi-family property in Adams County permits foreclosed property to return to the rental inventory in the community and provide long-term affordable rental property for residents of the community.

Staff Recommendation: Full Funding

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Lucero	Absent
Weitkunat	Absent		

Name: Aspen Leaf Apartments - Arapahoe Douglas Mental Health

Project Number: 10-325

Project Description: Arapahoe/Douglas Mental Health Network (ADMHN), a Colorado nonprofit corporation, is requesting \$900,000 in Neighborhood Stabilization Funding (NSP) on behalf of Arapahoe County for the acquisition and rehabilitation of a 12 unit multi-family rental property in Aurora, Colorado. ADMHN is a community mental health center than provides professional, comprehensive mental health care and substance abuse treatment mainly to communities of Arapahoe and Douglas counties. Founded in 1955, the organization offers adult out-patient services; child and family services; residential treatment services; substance abuse treatment services for adults and adolescents; recovery/rehabilitation services; case management; medication services and

a pharmacy. Additionally, ADMHN has staff dedicated to management of the organization's residential facilities and independent living apartments. Their in-house property management provides services such as administration of the Section 8 program, screening of potential residents, and on-going maintenance and repairs of the facilities owned by the organization.

Community Housing Development Association (CHDA), a Colorado nonprofit corporation, is the development entity in this property. CHDA is a partnership among Arapahoe/Douglas Mental Health Network; Arapahoe Housing which provides alcohol and drug treatments services; and Developmental Pathways which provides community-based alternatives to persons with developmental disabilities. CHDA had developed three residential rental properties and their housing model provides for a set-aside of 20% of the units for clients of the three organizations and the balance of the units are available to income qualified households.

Staff Recommendation: Full Funding

Date of Meeting: September 15, 2009

Anarde	Absent	Zucker	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Lucero	Absent
Weitkunat	Absent		

Name: Community Housing Concepts, Inc. - Denver Gardens Apartments

Project Number: 10-025

Project Manager & Address: Ron LaFollette, Acquisitions Manager
Community Housing Concepts, Inc.
6795 E Tennessee Ave, 5th Floor
Denver, CO 80224
(p) 303-322-8888
(f) 303-322-2320
rlafollette@monroegroupltd.com

Project Photo:



Project Address: 6801 E. Mississippi Ave, Denver 80224

Project Description:

Community Housing Concepts, Inc. (CHC), a non-profit corporation, is requesting a grant of \$226,000 for the acquisition of Denver Gardens in order to rehabilitate the property and preserve its affordability. Built in 1979, Denver Gardens Apartments is a 100 unit, elderly Project-based Section 8 property located at 6801 East Mississippi Avenue, Denver, Colorado. The Housing Assistance Payment (HAP) rents are set at 50 and 60% AMI, but most tenants are below 30% AMI. There shall be 2 HOME-assisted units.

The scope of rehabilitation will include many energy efficient upgrades which will extend the useful life of the property while reducing operating costs. CHC will provide Energy Star appliances, new energy efficient windows and energy efficient lighting throughout the buildings, upgrades to the boiler system and cooling system and attic insulation. Additionally, CHC will also install solar thermal heating and photovoltaic roof panels.

AFFORDABILITY

Type of Units	# of Units	Income of Beneficiaries
<u>HOME-Assisted Units</u>		
(1) 1BR	1	≤ 50% of AMI (\$35,900)
(1) 1BR	1	≤ 60% of AMI (\$45,600)
<u>Other Affordable Units</u>		
(11) 1BR	11	≤ 50% of AMI (\$35,900)
(87) 1 BR	87	≤ 60% of AMI (\$45,600)
<u>Total Units</u>	100	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition	7,791,000		3,400,000	Citibank	committed
			1,827,890	TCAP Equity	committed
			2,000,000	CHC Equity	committed
			563,110	LIHTC Equity	committed
Appraisal & Market Study	20,000		20,000	LIHTC Equity	committed
Engineering	5,000		5,000	LIHTC Equity	committed
Construction	3,311,162	225,000	499,000	Denver HOME funds	pending
			2,587,162	LIHTC Equity	committed
Construction Contingency	225,000		225,000	LIHTC Equity	committed
Phase I Environmental	10,000		10,000	LIHTC Equity	committed
Construction Loan Expenses	613,000		613,000	LIHTC Equity	committed
Permanent Loan Expenses	119,512		119,512	LIHTC Equity	committed
Operating Reserve	589,959		589,959	LIHTC Equity	committed
Developers Fee	1,341,321		596,996	Deferred Developer's Fee	committed
			744,325	LIHTC Equity	committed
Cost Certification	10,000		10,000	LIHTC Equity	committed
CDOH Final Payment	1,000	1,000			
Totals	14,036,954	226,000	13,810,954		

PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data				CDOH Range
Building Cost					
Cost/Unit/Sq. Ft.	\$140,370	/Unit	\$244.12	/SF	\$100 to \$140
Hard Cost/Unit/Sq. Ft.	\$104,002	/Unit	\$180.87	/SF	\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$27,088	/Unit	\$47.11	/SF	\$10 to \$20
Hard/Soft Cost	79%	Hard	21%	Soft	
Cost Effectiveness Rating					
CDOH subsidy/unit	\$2,260				\$2,000 to \$10,000
Annual Cost/Person & Rating	\$2,339	4	30	yrs	1 to 10 Scale
Externality Rating	\$10	10			1 to 10 Scale
Rent Savings Rating	9%	1			1 to 10 Scale
Financial Leveraging Rating	61	10			1 to 10 Scale
Composite Score	25				1 to 40 Scale
Operating Cost					
PUPA	\$4,900				\$3,700 to \$4,700
Annual Replacement Reserve	\$300/unit				\$300
Debt Coverage Ratio	1.15%				1.10 to 1.20
Capitalized Operating Reserve	\$589,959	14 mos			4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	7.25%	35	years		
P.V. Tax Credits	\$0.73				\$.75 to .85
Other Criteria					
Fully Accessible Units	10/10%				5% of Units Encouraged
Visitable Units	100% + all common facilities				All units Encouraged
Energy-Efficiency Standard	Denver Green Communities				CDOH Energy Standards Policy
Water Efficient Landscape	Yes				Denver Water Board Recommendation
30% AMI Units	0/0				5% of Units Encouraged
CDOH requirements					
Priority	#7, Special Needs				CDOH Action Plan Goals
CDOH Eligibility Criteria	HOME, HDG				
Minimum Application Criteria	Yes				CDOH Minimum Application Criteria Policy
Housing Needs Assessment Supports Project	Yes				Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. Community Housing Concepts, Inc. (CHC) is the non-profit development subsidiary of the Monroe Group, Inc., and has experience completing acquisition and rehabilitation on similarly structured preservation projects. CHC has invested almost \$60 million in multi family affordable housing units. CHC owns 13 affordable properties around the country, totaling almost 1300 units.
2. CHC has experience at six properties successfully completing major rehabilitation without displacing residents.

Con:

1. Applicant has no previous experience with administering DOLA Division of Housing funds.

- **Public/Private Commitment**

Pro:

1. The Project has financial and political support from CHFA, City of Denver, the local city council representative, the city councilwoman-at-large, Denver's Road Home, the Governor's Energy Office and Energy Outreach Colorado.
2. CHC will partner with nonprofit service providers, including Colorado Coalition for the Homeless, Senior Support Services, Jewish Family Services, Mental Health Center of Denver, Bayaud Industries, Volunteers of America, Hope for the City, and Providence Network.

Con: None.

- **Market Demand**

Pro:

1. Currently the property is 100% occupied and has a waitlist 15 persons long. The property is outperforming the affordable rental market, which is averaging a 6.1% vacancy rate in Denver, due to the project-based rental subsidy.

Con: None.

Explain Variances from ranges:

- Operating Reserves are above the range, due to investor requirements with the HAP contract. There are three sub-accounts: Rent-up Reserves (\$266,581), Operating Reserves (\$189,489) and Restabilization Reserve (\$133,919)
- The rent savings appear low because the property will be able to charge HAP rents per HUD, which is very close to the FMR rent, though tenants will only pay 30% of their income toward housing.
- The PUPA is above the range as HUD assists in determining the details of the operating pro forma based on the rental assistance and actual expenses.
- The total development cost is above the range due to the poor existing building condition, the extensive rehabilitation planned and the addition of solar thermal water heating and

photovoltaic electric panels.

Other projects funded in Denver County since 9/08:

- 08-024 Rocky Mountain HDC, Cornerstone Apartments, grant \$110,000
- 08-051 Mercy Housing, Aromor Apartments, grant \$567,500
- 09-041 Volunteers of America, Casa de Rosal, grant \$450,000
- 09-071 Colorado Coalition for the Homeless, Renaissance at Uptown Apts, grant \$750,000
- 09-019 Northeast Denver Housing Center, CHDO operating, grant \$16,000
- 09-022 Hope Communities, CHDO operating, grant \$16,000
- 09-024 Newsed CDC, CHDO operating, grant \$16,000
- 09-027 Del Norte Neighborhood Development Corporation, CHDO operating, grant \$16,000
- 09-315 City and County of Denver, NSP, grant \$2,833,215
- 09-316 City and County of Denver, NSP, grant \$708,304

Other projects funded for CHC since 9/08:

- None

Denver County AMI: \$ 76,000

Staff Recommendation: Full funding

Date of Meeting: 10/13/09

Anarde		Zucker	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

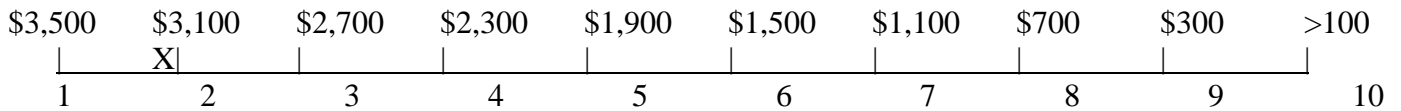
Colorado Division of Housing's Cost Effectiveness Rating

Project:

SHB Meeting: 10/X/09

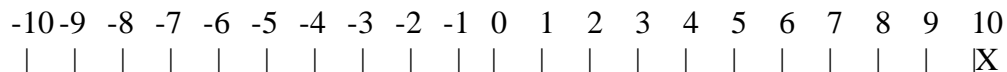
Step One –

Cost Per Person Housed = \$3,119 / #1



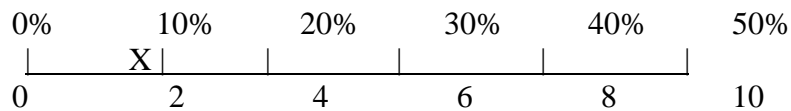
Step Two –

Externality Rating = #10



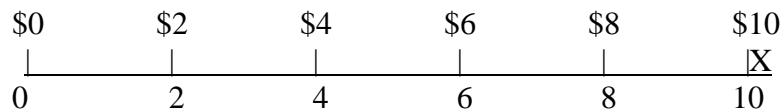
Step Three –

Return On Investment from Rent Savings = 9% / #1



Step Four –

Leveraging = \$1 DOH : \$X Other Sources 61/ #10



Step Five –

Cost Effectiveness

Composite Score

*This Score is the total of all
four of the above factors*

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Externalities Matrix - Each external factor below should be scored positively or negatively based on the measure indicated.		+1	-1
1. Project Impact/Need - The project meets an affordable housing need evidenced by market data.		1	
2. Public/Private Commitment - The project has local government or community financial support.		1	
3. Management Capability - The project developer has the capability of completing the project in a timely and satisfactory manner.		1	
4. Consistency With Local Land Use Plans - Utilities, infrastructure, transportation and public services are available to the project without undue hardship or excessive cost.		1	
5. Environmental Impact - The project will not have a detrimental impact on air quality, water quality, noise levels, view corridors or other locally determined areas of environmental concern.		1	
6.Social Impact - The project will not have a detrimental social impact on the community or the residents.		1	
7.Special Needs Population - Households residing in the project include persons with physical or mental disabilities or independent or assisted housing for seniors.		1	
8.High Growth Area - Counties with a greater than average growth in population or housing cost over the last two years.		1	
9.Preservation of Existing Affordable Housing - The project would acquire and/or rehabilitate existing affordable rental housing.		1	
10. Serving Persons With Extremely Low Incomes - The project would provide at least 5% of their rental units to persons with incomes below 30% AMI.		1	
Total (Net Positive or Negative Score)		+10	-0

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: **Denver Senior Gardens**

Spreadsheet directions are to the right ---->

Date: 10/6/2009

PAGE #1

Applicant: **CHC**

Operating Proforma

Spreadsheet Version: **1**

Required for Project Applications

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
1 BR	50%	12	575	673	96,912	Management Fee	42,345	5.04%
1 BR	50%	88	575	704	743,424	On-site Personnel Payroll	98,138	3.0% FTE
					0	Health Ins. & Benefits	15,045	
					0	Legal & Accounting	3,449	
					0	Advertising	113	
					0	Office Supplies	12,062	
					0	Telephone	5,844	
					0	Audit	11,300	
					0	Travel, Training, Dues, Bad Debt	7,179	
					0	Total Administrative Expenses	195,475	23.26%
					0	Operating Expenses		
					0	Utilities (owner paid)	93,472	77.89333 PUPM
					0	Trash Removal	5,136	
					0	Fire & Liability Insurance	20,877	
					0	Other		
					0	Total Operating Expenses	119,485	
	Total units	100	Total Rent Income		840,336	Maintenance		
	Total sq ft	57,500				Maintenance	28,899	
Parking Income					0	Repairs	39,964	
Laundry Income					1,500	Grounds (inc. snow removal)	23,390	
Other Income					0	Other		
Total Income					841,836	Total Maintenance	92,253	
	Vac. Rate	0.05	Less Vacancy		-42,092	Real Estate Taxes	52,787	
Effective Gross Income					799,744	Operating Reserve		unit avg.= 0
						Replacement Reserve	30,000	unit avg.= 300
DEBT SERVICE						TOTAL ANNUAL EXPENSES	490,000	
1st Mortgage					(267,839)	NET OPERATING INCOME	309,744	
2nd Mortgage					0	P.U.P.A. Expenses *	4,900	
3rd Mortgage					0	* P.U.P.A = Per Unit Per Annum Expenses		
TOTAL DEBT SERVICE					(267,839)			
	BEP	90.18%	Poss D/S @ 1.15 DCR		269,343	*Note:		
BEP = Break Even Point		Project Debt Coverage Ratio		1.156				

BEP = Break Even Point

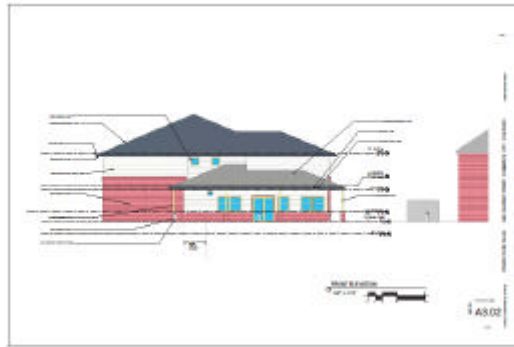
Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Name: Archdiocesan Housing, Inc.

Project Number: 10-020

Project Manager & Address: Mary Anderies , Housing Consultant
Archdiocesan Housing, Inc.
4045 Pecos Street, Suite A
Denver, CO 80211
(p) 303-433-4401
(f) 303-433-6845
mary@anderiesconsulting.com

Project Photo:



Project Address: 6286 Kearney Street, Commerce City, CO 80022

Project Description: Archdiocesan Housing, Inc (AHI) is requesting a grant of \$190,000 for the construction of Prairie Rose Apartments, a two-story 19-unit apartment building primarily for persons with physical disabilities, and secondarily for persons with chronic mental illness or developmental disabilities. The principal funding source for the project comes from a HUD 811 capital advance which also provides project rental assistance to the residents. The Project Resident Assistance Contract (PRAC) rents are set at 50% AMI, but most tenants' incomes are below 30% AMI. The property shall have 2 HOME-assisted units \leq 50% AMI.

The project is located at 6286 Kearney Street in Commerce City, in close proximity to retail, grocery stores, parks, and social services. Amenities in the proposed building include a community room with kitchenette and laundry facilities, office for staff and case managers, and both on and off-street parking.

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Adams County)
<u>CDOH HOME-Assisted Units</u> (2) 1BR	2	≤ 50% of AMI (\$35,850)
<u>Other Affordable Units</u> (17) 1BR	17	≤ 50% of AMI (\$35,850)
<u>Total Units</u>	19	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land	\$310,080		\$54,208	HUD	committed
			\$104,192	AHI	committed
			\$151,680	Commerce City Housing Authority	committed
Construction	\$2,203,788	\$65,000	\$1,948,788	HUD	committed
			\$190,000	Adams County	pending
Construction Contingency	\$137,040		\$137,040	HUD	committed
Off-site Infrastructure	\$92,324		\$92,324	HUD	committed
Architect & Engineering	\$188,400		\$188,400	HUD	committed
Tap Fees	\$212,808		\$212,808	HUD	committed
Consultant	\$55,000		\$55,000	HUD	committed
Physical Capital Assessment	\$59,100		\$59,100	HUD	committed
Common Furnishings	\$57,012		\$57,012	HUD	committed
Development Fee	\$148,976	\$124,000	\$24,976	HUD	committed
CDOH Final Payment	\$1,000	\$1,000	\$0		
Totals	\$3,465,528	\$190,000	\$3,275,528		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data				CDOH Range
Building Cost					
Cost/Unit/Sq. Ft.	\$179,305	/Unit	\$238.07	/SF	\$135 to \$205
Hard Cost/Unit/Sq. Ft.	\$139,656	/Unit	\$182.27	/SF	\$105 to \$160
Soft Cost/Unit/Sq. Ft.	\$26,439	/Unit	\$34.51	/SF	\$25 to \$40
Land Cost/unit	\$16,320	/Unit			\$10,000 to \$18,000
Hard/Soft Cost	84%	Hard	16%	Soft	
Cost Effectiveness Rating					
CDOH subsidy/unit	\$10,000				\$4,000 to \$10,000
Annual Cost/Person & Rating	\$3,034	2	40	yrs	1 to 10 Scale
Externality Rating	6	6			1 to 10 Scale
Rent Savings Rating	36%	6			1 to 10 Scale
Financial Leveraging Rating	17	10			1 to 10 Scale
Composite Score	24				1 to 40 Scale
Operating Cost					
PUPA	\$4,932	/Unit	per year		\$3,700 to \$4,700
Annual Replacement Reserve	\$547				\$300 (\$250 for seniors)
Debt Coverage Ratio	0%				1.10 to 1.20
Capitalized Operating Reserve	\$10,000	1.3	months		4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	\$2,880,000	HUD capital advance			
P.V. Tax Credits	N/A				\$.75 to .85
Other Criteria					
Fully Accessible Units	19/100%				5% of Units Encouraged
Visitable Units	19/100%, plus all common facilities				All units Encouraged
Energy-Efficiency Standard	Enterprise Green Standards.				CDOH Energy Standards Policy
Water Efficient Landscape	Yes				Denver Water Board Recommendation
30% AMI Units	0/0				5% of Units Encouraged
CDOH requirements					
Priority	#7, Special Needs				CDOH Action Plan Goals
CDOH Eligibility Criteria	HOME, HDG				
Minimum Application Criteria	Yes				CDOH Minimum Application Criteria Policy
Housing Needs Assessment Supports Project	Yes				Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. AHI is an experienced developer and has created over 1,000 affordable units, all of which are managed by its affiliate, Housing Management Services.
2. AHI has previous experience with two CDOH contracts, including rental new construction and acquisition/ rehabilitation. Upon monitoring, both projects were found to be performing and compliant.
3. AHI manages the adjacent Madonna Plaza, built in 1989, and has established an extensive community network for this project.
4. AHI has contracted with Catholic Charities to provide resident services at all of their senior sites. Focus groups of non-elderly disabled residents have provided input on the services to be made available to the disabled population at Prairie Rose.
5. Anderies Consulting, the development consultant, has experience complying with federal regulations that will be triggered by this project, including URA and Davis-Bacon wages.

Con: none

- **Public/Private Commitment**

Pro:

1. Commerce City Housing Authority will donate the western portion of the site and Adams County Community Development will provide a HOME grant.
2. The City has also provided minor variances and waivers to reduce project costs.
3. The property will be exempt from property taxes pending completion of construction.

Con: none

- **Market Demand**

Pro:

1. AHI has been actively marketing to the disabled community and currently has 135 individuals on the waitlist. Anticipated occupancy is 100%, despite that Adams County currently has an overall vacancy rate of 8.4%.
2. A recent list of selected HUD 811 properties in Colorado with a total of 141 units, have an average occupancy rate of 97.3%, with 55% of the facilities having a waiting list.

Con: none

Explain Variances From Ranges

- The HUD 811 financing structure is reviewed and adjusted annually to account for income and expenses. The HUD 811 does not allow the property to carry any debt service and does not require annual operating reserve contribution, but does require a higher than average replacement reserves to be escrowed.
- Developer's fee is lower due to HUD regulations that cap the consultant fee and what is allocable after other required costs.

- The total development costs are higher than the range due to the elevator, the unit configuration (all one bedroom units), and accessibility installations.

Other projects funded in Adams County since 9/08:

- 09-023 Growing Home, CHDO Operating, grant \$25,000
- 09-031 Adams County Housing Authority, Foreclosure Prevention, grant \$45,000
- 09-306 Adams County, NSP, grant \$2,113,140
- 09-311 Adams County, NSP, grant \$701,201

Other projects funded for Archdiocesan Housing, Inc. since 9/08:

- none

Adams County AMI: \$ 76,000

Staff Recommendation: Full funding pending Adams County funding award

Date of Meeting: 10/13/09

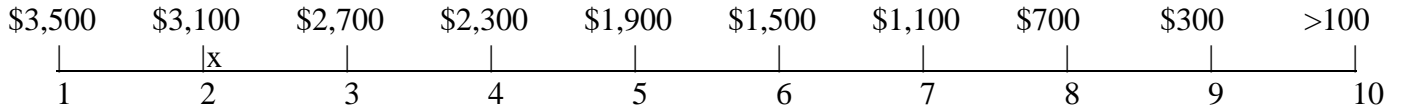
Anarde		Zucker	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

Colorado Division of Housing's Cost Effectiveness Rating

Project: Prairie Rose Apartments
SHB Meeting: 10/13/09

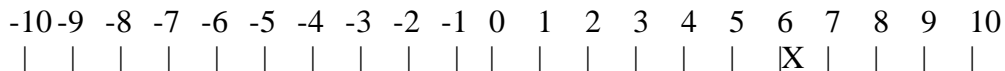
Step One –

Cost Per Person Housed = \$3,043/ #2



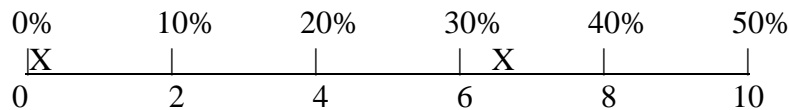
Step Two –

Externality Rating = 6



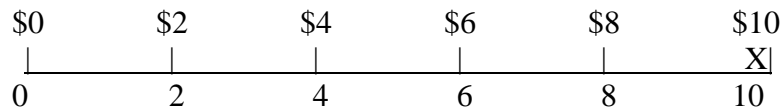
Step Three –

Return On Investment from Rent Savings = 36% / #6



Step Four –

Leveraging = \$1 DOH: \$17 Other Sources #10



Step Five – Cost Effectiveness
Composite Score
*This Score is the total of all
four of the above factors*

24

Externalities Matrix - Each external factor below should be scored positively or negatively based on the measure indicated.	+1	-1
1. Project Impact/ Need - The project meets an affordable housing need evidenced by market data.	1	
2. Public/Private Commitment - The project has local government or community financial support.	1	
3. Management Capability - The project developer has the capability of completing the project in a timely and satisfactory manner.	1	
4. Consistency With Local Land Use Plans - Utilities, infrastructure, transportation and public services are available to the project without undue hardship or excessive cost.	1	
5. Environmental Impact - The project will not have a detrimental impact on air quality, water quality, noise levels, view corridors or other locally determined areas of environmental concern.	1	
6. Social Impact - The project will not have a detrimental social impact on the community or the residents.	1	
7. Special Needs Population - Households residing in the project include persons with physical or mental disabilities or independent or assisted housing for seniors.	1	
8. High Growth Area - Counties with a greater than average growth in population or housing cost over the last two years.	1	
9. Preservation of Existing Affordable Housing - The project would acquire and/or rehabilitate existing affordable rental housing.		1
10. Serving Persons With Extremely Low Incomes - The project would provide at least 5% of their rental units to persons with incomes below 30% AMI.		1
Total (Net Positive or Negative Score) + 6	+8	-2

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: **Prairie Rose Plaza**

Spreadsheet directions are to the right ---->

Date: 10/6/2009

PAGE #1

Applicant: **Archdiocesan Housing**

Operating Proforma

Spreadsheet Version: **1**

Required for Project Applications

8227

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
19	50%	19	540	433	98,724	Management Fee	9,804	9.93%
					0	On-site Personnel Payroll	14,250	50.00% FTE
					0	Health Ins. & Benefits	1,425	
					0	Legal & Accounting	4,300	
					0	Advertising	500	
					0	Office Supplies	3,025	
					0	Telephone	2,000	
					0	Audit	4,000	
					0	Other		
					0	Total Administrative Expenses	39,304	39.81%
					0	Operating Expenses		
					0	Utilities (owner paid)	14,197	62.26754
					0	Trash Removal & Exterminating	12,593	
					0	Fire & Liability Insurance	6,451	
					0	Other- elevator	2,500	
					0	Total Operating Expenses	35,741	
	Total units	19	Total Rent Income		98,724	Maintenance		
	Total sq ft	10,260				Maintenance, decorating & repairs	5,586	
			Parking Income			Repairs		
			Laundry Income		684	Grounds (inc. snow removal)	2,698	
			Other Income			Other		
			Total Income		99,408	Total Maintenance	8,284	
	Vac. Rate	0.05	Less Vacancy		-4,970	Real Estate Taxes		
	Effective Gross Income				94,438	Operating Reserve		unit avg.= 0
						Replacement Reserve	10,388	unit avg.= 547
	DEBT SERVICE					TOTAL ANNUAL EXPENSES	93,717	0
	1st Mortgage				0	NET OPERATING INCOME	721	
	2nd Mortgage				0	P.U.P.A. Expenses *	4,932	
	3rd Mortgage				0	* P.U.P.A = Per Unit Per Annum Expenses		
	TOTAL DEBT SERVICE				0			
	BEP	94.93%	Poss D/S @ 1.1 DCR		655	*Note:		
BEP = Break Even Point			Project Debt Coverage Ratio		0.000			

Name: Greeley Center for Independence, Inc. -
Hope Apartments Rehabilitation

Project Number: 10-026

Project Manager & Address: Ms. Kathy Van Soest
Executive Director
Greeley Center for Independence, Inc.
2780 28th Avenue
Greeley, CO 80634
Telephone: 970-339-2444
Fax: 970-339-0033
Email: kvansoest@GCIinc.org

Project Photos:



Project Address: 2730 28th Avenue, Greeley, Colorado 80634

Project Description:

The Greeley Center for Independence, Inc. (GCI) requests a grant of \$140,000 to assist with the rehabilitation of The Hope Apartments located at 2730 28th Avenue, Greeley, Colorado. The Hope Apartments were constructed in 1994 with assistance from the Division of Housing in the form of a HOME grant of \$400,000. The Hope Apartments provide thirty-one (31) units of rental housing for people with physical disabilities, including those with traumatic brain injuries (TBI), and one resident manager. There are 28 one-bedroom and 3 two-bedroom apartments that are affordable to households at or below 50% - 60% area median income (AMI). This special needs population generally receives some form of rental assistance that allows the residents to pay no more than 30% of their income on housing and utilities. The planned rehabilitation work includes energy-efficiency improvements, security and accessibility improvements, interior updates, plumbing upgrades, and repair of the roof soffit.

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Weld County)
<u>CDOH HDG-Assisted Units</u>		
(1) 1BR	1	≤ 50% of AMI (\$32,150)
(1) 1BR	1	≤ 60% of AMI (\$38,580)
(1) 2BR	1	≤ 60% of AMI (\$38,580)
<u>CDOH HOME-Assisted Units</u>		
(2) 1BR	2	≤ 50% of AMI (\$32,150)
(9) 1BR	9	≤ 60% of AMI (\$38,580)
(1) 1BR	1	≤ 80% of AMI (\$51,450)
<u>Employee (1) & Market Rate Units (15)</u>		
(15) 1BR, (1) 2BR manager	16	unrestricted
<u>Total Units</u>	31	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Original Cost of Construction	\$1,600,000		\$500,000	Bank Loans	previous
			\$400,000	DOH HOME grant	previous
			\$50,000	GURA grant	previous
			\$160,000	FHLB grant	previous
			\$41,500	Private Grants	previous
			\$448,500	GCI Equity	previous
Rehabilitation	\$302,472	\$125,000	\$75,500	GURA - new grant	committed
			\$24,500	GURA – new grant	pending
			\$30,000	GEO - Weatherization	pending
			\$47,472	Monfort Family Foundation	pending
Contingency	\$15,000		\$15,000	GCI Equity	committed
Rehabilitation Services	\$15,000	\$15,000			
Capital Needs Assessment	\$7,500		\$7,500	Replacement Reserves	committed
Temporary Relocation	\$9,000		\$2,528	Monfort Family Foundation	pending
			\$6,472	GCI Equity	committed
Totals	\$1,948,972	\$140,000	\$1,808,972		

PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data				DOH Range
Building Cost					
Cost/Unit/Sq. Ft.	\$62,870	/Unit	\$84	/SF	\$100 to \$140
Hard Cost/Unit/Sq. Ft.	\$61,854	/Unit	\$82	/SF	\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$ 1,016	/Unit	\$ 2	/SF	\$10 to \$20
Hard/Soft Cost	98%	Hard	2%	Soft	
Cost Effectiveness Rating					
DOH subsidy/unit	\$4,516/unit				\$2,000 to \$10,000
Annual Cost/Person Rating	\$1,274	7	30	yrs	1 to 10 Scale
Externality Rating		8			1 to 10 Scale
Rent Savings Rating	33%	6			1 to 10 Scale
Financial Leveraging Rating	\$13	10			1 to 10 Scale
Composite Score		31			1 to 40 Scale
Operating Cost					
PUPA	\$3,237				\$3,700 to \$4,700
Annual Replacement Reserve	\$484				\$300
Debt Coverage Ratio	1.429				1.10 to 1.20
Capitalized Operating Reserve	-0-				4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	Weld County Tax Exempt Bond	5	years	3.43%	Secured by Wells Fargo Loan
P.V. Tax Credits	N/A				\$.75 to .85
Other Criteria					
Fully Accessible Units	17 / 55%				5% of Units Encouraged
Visitable Units	31 / 100%, plus all common facilities				All units Encouraged
Energy-Efficiency Standard	Will use Energy-Star rated appliances and low-flow plumbing in rehabilitation.				CDOH Energy Standards Policy
Water Efficient Landscape	Existing landscaping.				Denver Water Board Recommendation
30% AMI Units	None by deed restriction, 55% with rental assistance through various agencies				5% of Units Encouraged
DOH requirements					
Priority	#1, high - preservation of existing affordable housing; special needs				CDOH Action Plan Goals
CDOH Funding Eligibility	HDG				
Minimum Application Criteria	Yes				CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Housing Needs Assessment for Weld County has not been completed yet.				Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. The Greeley Center for Independence, Inc. (GCI) began in 1977 as a grass-roots nursing home advocacy program. Today it is a certified and licensed Medicare/Medicaid Home Health Agency which employs 120 staff including Physical Therapists, Registered Nurses, Home Health Aides. GCI is a non-profit 501(c)(3) corporation.
2. GCI owns and operates three accessible apartment communities containing 64 units, as well as the Hope Therapy Center which provides two therapy gyms and a warm water pool. They plan to add an Amputee Support Group program in the near future.

Con:

1. The most recent long-term monitoring for the project raised some questions regarding GCI's tenant income verification process and utility allowance calculation. DOH Asset Management staff are providing technical assistance to ensure compliance in the future.

- **Public/Private Commitment**

Pro:

1. The Greeley Urban Renewal Authority (GURA) provided \$50,000 as part of the original construction of the Hope Apartments. They have recommended funding of a new grant in the amount of \$75,500 with approval for an additional \$24,500, subject to their actual allocation from HUD.
2. The Monfort Family Foundation has provided funding assistance to GCI on projects in the past and is currently reviewing a request for \$50,000 - \$100,000 for this rehabilitation work.
3. GCI intends to apply to the Governor's Energy Office (GEO) for a Weatherization grant of \$30,000 to help with the energy-efficiency improvements. It is anticipated that GEO will begin taking applications as soon as the third party administrator is announced.

Con: None.

- **Market Demand**

Pro:

1. Historically, the Hope Apartments have been fully occupied except for turnover of units between tenants. There are currently six vacant units and GCI is renovating them with their own funds. They intend to use these units for temporary relocation of the residents during the rehabilitation work on occupied units.
2. The average length of residency at the Hope Apartments is 7.2 years. Three of the residents have lived there since 1994 and 12 persons for more than 10 years. A recently completed client satisfaction survey shows a 90% satisfaction with the services they receive from GCI. However, the residents are the ones who initiated the request for this rehabilitation work in order to enhance their ability to live independently with greater accessibility inside and outside their apartments.
3. The Greeley/Weld County 2nd quarter 2009 vacancy rate for 1 and 2 bedroom apartments is around 8%, with average rents at \$557 and \$622 respectively. However, the special needs population in Greeley cannot live in these units without the assistance of home health care aides.

Con: None.

Explain Variances from ranges:

- The PUPA is lower than the range due to the use of GCI staff for property maintenance and repairs and also due to the partial subsidy of real property taxes.
- The Replacement Reserve contribution is higher than the range due to the extra wear and tear of wheelchairs in the units.
- The DCR is higher than the range because the permanent financing is part of a portfolio loan secured by Weld County issued tax-exempt bonds. The interest rate is adjusted every 5 years and is currently at its lowest rate since inception.

Other projects funded in Weld County since 9/08:

- Weld County NSP Single Family Acquisition/Rehab/Resale \$3,426,154
- Weld County NSP Multi-Family Acquisition/Rehab \$1,020,000
- Weld County NSP Land Bank \$1,026,035

Other projects funded for Greeley Center for Independence, Inc. since 9/08: **None**

Weld County AMI: \$64,300

Staff Recommendation: Full Funding

Date of Meeting: 10/13/09

Anarde		Zucker	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio